

COURSE CONTENT OUTLINE

Minimum 24 hours of classroom education is mandated

SECTION 1 Federal Lending Laws/Regulations Regarding the Mortgage Industry **minimum 7 hours - maximum 9 hours**

Provide basics and general overview of Act, Regulation, Commentary, Interpretation, Policy Statement and Judicial Precedent related to:

Fair Housing Act

Title VIII of the Civil Rights Act of 1968 (Fair Housing Act),
42 U.S.C. §3601- §3639

Advertising: §804(c) of the Fair Housing Act
<http://www.hud.gov/offices/fheo/index.cfm>

Equal Credit Opportunity Act - ECOA (15 U.S.C. 1691)

Regulation B (12 CFR Part 202) www.federalreserve.gov

Community Reinvestment Act - CRA

12 U.S.C. § 2901 www.ffiec.gov

Home Mortgage Disclosure Act - HMDA

{{4-28-00 p.7301}} www.fdic.gov

Truth in Lending Act – TILA (15 USC 1601)

Regulation Z (12 CFR Part 226)

Home Ownership and Equity Protection Act of 1994 – HOEPA

Section 32 of Regulation Z

Real Estate Settlement Protection Act – RESPA (12 USC 2601)

Specifically, Section VIII

Regulation X (24 CFR Part 3500)

Gramm-Leach-Bliley Act – GLB Act (15 U.S.C. § 6801-6809)

Financial Privacy Rule Title V, Subtitle A, Financial Privacy

Safeguards Rule (Public Law 106-102, Title V, Subtitle A)

USA Patriot Act

Homeowners Protection Act (12 USC Chapter 49)

PMI Cancellation Rules (12 USC Chapter 49)

Fair Credit Reporting Act – FCRA (15 U.S.C. § 1681)

Fair and Accurate Credit Transactions Act (Public Law 108-159)

Telemarketing Sales Rule (16 CFR Part 310)

“Do-Not-Call” Provisions of Telemarketing Sales Rule § 310.4(b)(1)(ii)

HUD Advertising Regulation

Interagency Policy Statements on Residential Mortgage Lending

CSBS/AARMR/NACCA Statement on Subprime Lending

Other Applicable Federal Laws and Regulations

SECTION 2 General Mortgage Information **minimum 8 hours - maximum 10 hours**

Program types including: Fannie Mae, Freddie Mac, FHA, MSHDA, USDA

Consumer booklets and general disclosure requirements:

e.g. good faith estimate(GFE), truth in lending (TIL), HUD I settlement statement

Pre-Qualification and Pre-Approvals

Preparation for the Application Interview

Information needed to apply for a mortgage loan

Review of the Uniform Residential Loan Application (1003) - proper completion

Credit evaluation (including credit scoring)

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ECOA Notification

Documentation types; e.g. full documentation versus alternative

Processing documents and verification review

Mortgage calculations: understanding purpose and use of APR and amount financed, payments (PITI), loan amortization, ratio calculations, income calculations, loan to value, escrow calculations

Fees, points and loan officer compensation, risk based pricing adjustments, float/lock discussion, borrower rights and the customers understanding of the rate/lock process

Appraisals – regulations, underwriting requirements, reviewing the appraisal/red flags

Automated Underwriting Systems (AUS) and manual underwriting, risk assessment

Settlement services and processes including closing, funding

SECTION 3 Ethics in the Mortgage Industry **minimum 5 hours - maximum 7 hours**

Mortgage Fraud and Identity Theft- definition

History, impact and consequences of mortgage fraud

Types of fraud, fraud recognition, and combating mortgage fraud

How identity theft occurs

Current trends and minimizing risk

Appraisal and 1003; rules, laws and requirements

Prevention and awareness – company security

Gramm-Leach-Bliley Act – GLB Act (15 U.S.C. § 6801-6809)

Financial Privacy Rule Title V, Subtitle A, Financial Privacy

Safeguards Rule (Public Law 106-102, Title V, Subtitle A)

RESPA Section VIII Violations and Prohibited Practices (Ethical boundaries on competition, marketing, sales, and advertising)

The role and purpose of ethical standards within the mortgage industry

Ethics vs. Law

Decision-making for personal integrity and professional conduct

Resolving ethical dilemmas

Development of trust and fairness

SECTION 4 Michigan Laws/Rules Pertaining to the Mortgage Industry **minimum 3 hours – maximum 5 hours**

Michigan Consumer Mortgage Protection Act (2002 PA 660)

Borrower's Bill of Rights, Consumer Caution

Home Ownership Counseling Notice

1st and 2nd Mortgage Acts:

Mortgage Brokers, Lenders, and Servicers Licensing Act (1987 PA 173)

The Secondary Mortgage Loan Act, (1981 PA 125)

Mortgage Lending Practices (1977 PA 135)

State of Michigan Compliance

(Prohibition Orders, Licensing & Reporting), OFIR and other agencies

Michigan Consumer Financial Services Act, usury statutes

Other Applicable State Laws, Rules, and Regulations